

**COMMENTS OF MIDWEST GENERATION EME, LLC CONCERNING
THE ILLINOIS SUSTAINABLE ENERGY PLAN INITIATIVE**

Midwest Generation EME, LLC (“MWGen”) thanks the Commission for the opportunity to provide input regarding the Illinois Sustainable Energy Plan Initiative, and respectfully submits the following comments.

MWGen believes that the manner in which the utilities plan to utilize the sustainable energy contracts requested by Governor Blagojevich in the Illinois Sustainable Energy Plan works well with the post-2006 procurement process currently proposed and pending before the Illinois Commerce Commission. Specifically, the utilities’ proposal to utilize the sustainable energy contracts as financial hedges, where the energy is sold into the real time markets, means that these new sustainable energy requirements will not significantly affect the risks and obligations of suppliers in the proposed post-2006 non-renewable procurement auctions. Accordingly, the need for wholesale suppliers to incorporate the risk of as yet unknown sustainable energy obligations into their post-2006 energy supply bids is minimized. Consequently, retail customers can be spared the cost of risk premiums associated with such uncertainty.

In addition, conducting a separate auction for Renewable Energy Portfolio Standards with a contract term of 10 years (or more) is the best method to assure that renewable energy generation is actually built, versus including such obligations in the post-2006 non-renewable procurement auctions. Given that the longest term in non-renewable auctions is 5-years, such term is inconsistent with the renewable energy requirement of a minimum 10-year contract.

Wherefore, MWGen supports the utilities’ plans to implement the Illinois Sustainable Energy Plan Initiative in a fashion that does not create additional risk and uncertainty for bidders in the proposed post-2006 procurement auctions.